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**ST. CHARLES PARISH SHERIFF
(AS EX-OFFICIO PARISH TAX COLLECTOR)
Hahnville, Louisiana**

Financial Report

Year Ended June 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 01/17/01

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CERTIFIED PUBLIC ACCOUNTANTS**

INDEPENDENT AUDITOR'S REPORT

The Honorable Gregory Champagne
St. Charles Parish Sheriff as
Ex-Officio Tax Collector
Hahnville, Louisiana

We have audited the accompanying statement of assets and liabilities and the statement of collections, distributions, and unsettled balances of the Tax Collector Agency Fund of the St. Charles Parish Sheriff as of and for the year ended June 30, 2000. These financial statements are the responsibility of the St. Charles Parish Sheriff as Ex-Officio Tax Collector. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the accompanying statements present information only for the Tax Collector Agency Fund. Further, the accompanying statements have been prepared on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets and liabilities and the collections, distributions, and unsettled balances of the Tax Collector Agency Fund of the St. Charles Parish Sheriff as of and for the year ended June 30, 2000, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2000, on our consideration of the St. Charles Parish Sheriff's internal control over financial reporting and our tests of his compliance with provisions of laws, regulations, contracts and grants.



Harvey, Louisiana
December 20, 2000

FINANCIAL STATEMENTS

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Tax Collector Agency Fund

Statement of Assets and Liabilities
June 30, 2000

ASSETS

Cash in interest-bearing bank accounts	\$ <u>327,355</u>
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LIABILITIES

Unsettled balances due to taxing bodies and others	\$ <u>327,355</u>
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The accompanying notes are an integral part of this statement.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Tax Collector Agency Fund

Statement of Collections, Distributions, and Unsettled Balances
Year Ended June 30, 2000

Unsettled balances at July 1, 1999	\$ <u>685,590</u>
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Collections:

Ad valorem property taxes	70,948,472
State revenue sharing	992,448
Parish occupational licenses	852,274
Sporting licenses	94,219
Interest earned	194,530
Tax notices, costs, etc.	42,272
Other	<u>14,652</u>
Total collections	<u>73,138,867</u>

Total available for distributions	<u>73,824,457</u>
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Distributions:

St. Charles Parish:

Assessor	902,917
Clerk of Court	988
Council	18,168,235
Drainage districts	66,098
Hospital service district	3,220,908
School Board	34,975,886
Sheriff	11,868,760

State of Louisiana:

Lafourche Levee District	1,219,482
State Treasury - Ponchartrain Levee District	1,024,604
Department of Wildlife and Fisheries	80,167
Tax Commission	27,170
Refunds and redemptions	57,312
Pension funds	<u>1,884,575</u>
Total distributions	<u>73,497,102</u>

Unsettled balances at June 30, 2000	\$ <u>327,355</u>
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The accompanying notes are an integral part of this statement.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Tax Collector Agency Fund

Notes to financial statements

1. Summary of Significant Accounting Policies

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes, state revenues sharing funds, parish occupational licenses, and other licenses.

Louisiana Revised Statute 24:517(D) requires that the accounts of each tax collector be audited annually. Accordingly, the accompanying statements reflect the financial activity of the Sheriff relating only to his responsibility as ex-officio tax collector. Amounts included in this report are also included in the Sheriff's annual general purpose financial statements.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others. The accompanying financial statements have been prepared on the cash basis of accounting, with collections recognized when received and distributions reflected when paid.

2. Interest-Bearing Bank Deposits

State law authorizes the Sheriff to deposit tax collections in a bank domiciled in the parish where the funds are collected. At June 30, 2000, the Sheriff had interest-bearing bank deposits (book balances) totaling \$327,355, representing unsettled tax collections. Deposit balances (bank balances) at June 30, 2000 were \$2,591,323 and were fully secured by federal deposit insurance and the pledge of securities held by the custodial bank in the name of the fiscal agent bank. Even though the pledged securities are considered uncollateralized according to standards issued by the Governmental Accounting Standards Board (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon request.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Tax Collector Agency Fund

Notes to financial statements - Continued

3. State Revenue Sharing Funds

The state revenue sharing funds provided by Act 1038 of 1999 which were received during the year ended June 30, 2000 were allocated among the taxing bodies as follows:

St. Charles Parish:

Assessor	\$ 32,401
Community Service	30,000
Council	201,604
Hospital Service District	27,841
School Board	287,046
Sheriff:	
Law Enforcement District	205,200
Commission on collection	100,657
Lafourche Basin Levee District	40,737
Pension funds	18,672
Ponchartrain Levee District	<u>48,290</u>
 Total	 \$ <u>992,448</u>

4. Unsettled Balances

The unsettled balances of \$327,355 due to taxing bodies and others at June 30, 2000 consists of \$322,753 in protested taxes, \$4,445 in prior year redemption proceeds, and \$157 in interest.

COMPLIANCE AND INTERNAL CONTROL

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Gregory Champagne
St. Charles Parish Sheriff as
Ex-Officio Tax Collector
Hahnville, Louisiana

We have audited the financial statements of the St. Charles Parish Sheriff as of and for the year ended June 30, 2000, and have issued our report thereon dated December 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the St. Charles Parish Sheriff's Tax Collector Agency Fund financial statements are free of material misstatement, we performed tests of the Sheriff's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Charles Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the St. Charles Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of

management in the financial statements. The reportable condition, which was also included in our report in connection with our audit of the financial statements for the year ended June 30, 1999, is described in the following paragraph.

Reportable Condition - The sheriff does not have an adequate segregation of duties within his accounting department. Because of the limited number of personnel involved in the accounting and financial reporting functions it may not be possible to achieve a complete segregation of duties.

Recommendation - In our report for the year ended June 30, 1999, we recommended that a study be made to determine whether there could be a shifting of duties among existing employees to provide a greater segregation of duties.

Management's Response - It is not possible to shift duties among existing employees to achieve a greater segregation of duties without totally disrupting the functions of our accounting department. To achieve a complete segregation of duties would entail the employment of additional accounting personnel which cannot be justified from a cost of benefits standpoint.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended for the information and use of management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, likely representing the audit firm, located above the printed name and date.

Harvey, Louisiana
December 20, 2000